

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re: Case No.: 18-14603 (MBK)
PRINCETON ALTERNATIVE INCOME Chapter: 11
FUND, LP, *et al.*¹ Judge: Michael B. Kaplan

NOTICE OF PROPOSED COMPROMISE or SETTLEMENT OF CONTROVERSY

Plaintiff Matthew Cantor, as Chapter 11 trustee (“Trustee”) for the debtors, Princeton Alternative Income Fund, LP (“PAIF”) and Princeton Alternative Funding, LLC (“PAF,” and together with PAIF, the “Debtors”), in this case proposes a compromise, or to settle a claim and/or action as described below. If you object to the settlement or compromise, you must file a written objection with the Clerk of the United States Bankruptcy Court, and serve it on the person named below not later 7 days before the hearing date.

Address of the Clerk: Clarkson S. Fisher Building & Courthouse
402 East State Street,
Trenton, New Jersey 08608

If an objection is filed, a hearing will be held before the Honorable Michael B. Kaplan on January 27, 2020, at 10:00 a.m. at the United States Bankruptcy Court, Courtroom No. 8, 402 East State Street, Trenton, New Jersey 08608 (hearing to be scheduled for at least 28 days from the date of the filing of the notice). If no objection is filed the clerk will enter a *Certification of No Objection* and the settlement may be completed as proposed.

Nature of action:

The Ranger Entities are investors in the Debtors² and disputes arose surrounding the Ranger Entities’ redemption request, leading to the Arbitration Award of approximately \$34 million, which was confirmed by the Court of Chancery of the State of Delaware on June 26, 2019.

Pertinent terms of settlement:

The terms outlined in the paragraphs 10-13 of the Motion are incorporated herein by reference. As outlined in the Motion and Settlement Agreement at length, the Debtors shall: (i) allow the Ranger Claim in the amount of \$33,419,517; (ii) effect payment from PAIF of \$2.5 million to the

¹ The Debtors are Princeton Alternative Income Fund, LP and Princeton Alternative Funding, LLC.

² Capitalized terms not otherwise defined herein have the meanings set forth in the Motion.

Ranger Entities on the Effective Date; (iii) disburse all cash in the Argon Side Pocket to the Ranger Entities; (iv) distribute to Ranger Offshore and Ranger Onshore of Class A Certificates in an aggregate amount equal to those entities' Percentage Interests in PAIF as of the Determination Date; and (v) distribute to the Ranger Entities of their Pro Rata share of Class A Certificates issuable to the Ranger Entities as a member of PAF Class 3 in the Trustee's Plan. In exchange, the Ranger Entities shall provide the following consideration: (i) full satisfaction of the Ranger Claim; (ii) payment of the Ranger Covenant Contribution; and (iii) payment of the Ranger PAIF Class 7 Contribution, if conditions are met.

Objections must be served on, and requests for additional information directed to:

Paul R. DeFilippo
James N. Lawlor
WOLLMUTH MAHER & DEUTSCH LLP
500 Fifth Avenue
New York, New York 10110
Telephone: (212) 382-3300
Facsimile: (212) 382-0050

*Counsel for Matthew Cantor, Chapter 11
Trustee*

Dated: December 16, 2019

Respectfully submitted,

WOLLMUTH MAHER & DEUTSCH LLP
*Counsel for Matthew Cantor, Chapter 11
Trustee*

By: _____ */s/ Paul R. DeFilippo*
Paul R. DeFilippo
James N. Lawlor